

KHEAA

FY2001 Annual Report

Celebrating 35 Years of
Making Higher Education
More Accessible



35 Years of Making a Difference!

At the dawn of a new century, the Kentucky Higher Education Assistance Authority (KHEAA) proudly reflects on its past and eagerly anticipates the future. KHEAA's board of directors and staff enjoy a genuine sense of satisfaction from our service and a contagious enthusiasm about plans to build on our successes.

FY2001 was a milestone year for KHEAA—it was the agency's 35th anniversary of making higher education more accessible! Working hand-in-hand with financial aid officers, school counselors, and lenders, KHEAA has made a positive difference in the lives of hundreds of thousands of students.

Thanks to recent efforts of the Governor and state legislators, Kentucky students are the beneficiaries of a substantial infusion of new funds into the student financial aid programs administered by KHEAA. These state programs, along with the low-interest Federal Family Education Loan Program (FFELP), are making college more affordable than ever before. As the federally designated guarantor of FFELP in Alabama and Kentucky, KHEAA has also welcomed several schools back to FFELP and greatly expanded its services to students.

State General Fund dollars appropriated to KHEAA go directly to students in the form of grant and scholarship awards. KHEAA receipts, generated in large part from administration of FFELP, have been used to provide 100 percent funding of all administrative costs since 1979 and, since 1983, to supplement state General Fund appropriations for several student aid programs. This funding arrangement has resulted in a highly efficient, productive process of promoting higher education opportunities and distributing student financial aid.



In its 35 years, KHEAA has provided nearly \$500 million in grants, scholarships, and work-study wages and guaranteed more than \$4.3 billion in student loans. This year alone, KHEAA disbursed more than \$73.3 million in state awards and insured \$460.6 million in Federal Stafford and PLUS loans. To advance higher education opportunities and the availability of student financial aid, KHEAA distributed over 885,000 publications and brochures to students and families in Kentucky and Alabama and made direct contact with 296,000 Kentucky families through its outreach programs.

As we enter the 21st century, we find there is still much to do. Kentucky has an alarmingly low college-going rate, and KHEAA is dedicating its resources to attack this problem with new intensity. Using its arsenal of student financial aid programs and an army of exceptionally talented, mission-driven staff, KHEAA is determined that future generations will grow up knowing a higher education is accessible and prepare themselves accordingly.

In the following pages we have captured the highlights of FY2001 as well as our cumulative successes over the past 35 years. With these as our foundation, we stand ready, willing, and able to embrace the challenges of the 21st century with great passion and zeal.

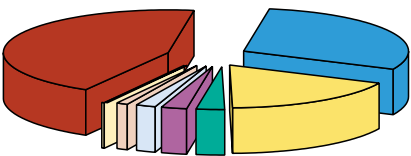
Wayne Stratton,
Board Chairman

FY2001 Highlights

Student Financial Aid

- ◆ KHEAA awarded \$73.3 million[†] from scholarship, grant, and work-study programs and guaranteed \$542.9 million in Federal Family Education Loans to help students and parents pay higher education expenses.
- ◆ KHEAA disbursed \$21.6 million to over 31,000 KEES recipients attending eligible postsecondary institutions.
- ◆ KHEAA's new guarantee volume (Stafford and PLUS) increased 16.5 percent over last year to \$461 million.
- ◆ The KHEAA Board of Directors voted to continue waiving the 1 percent insurance premium for KHEAA-guaranteed loans, saving students more than \$15 million since the fee was first waived in August 1996.
- ◆ The Early Childhood Development Scholarship was implemented with the first awards being made for the 2001 spring semester.
- ◆ The Kentucky Education Savings Plan Trust (KESPT) added a 100 percent Equity Option composed of domestic and international stock mutual funds.
- ◆ In FY2001, a total of 1,400 KESPT accounts were opened—more than double the number of accounts opened in the former top year. On June 30, KESPT had 3,990 accounts totaling \$14.7 million in assets, a 44 percent increase over FY2000.
- ◆ The Economic Growth and Tax Relief Reconciliation Act of 2001 made earnings in KESPT and other qualified tuition programs exempt from federal taxes effective in 2002.

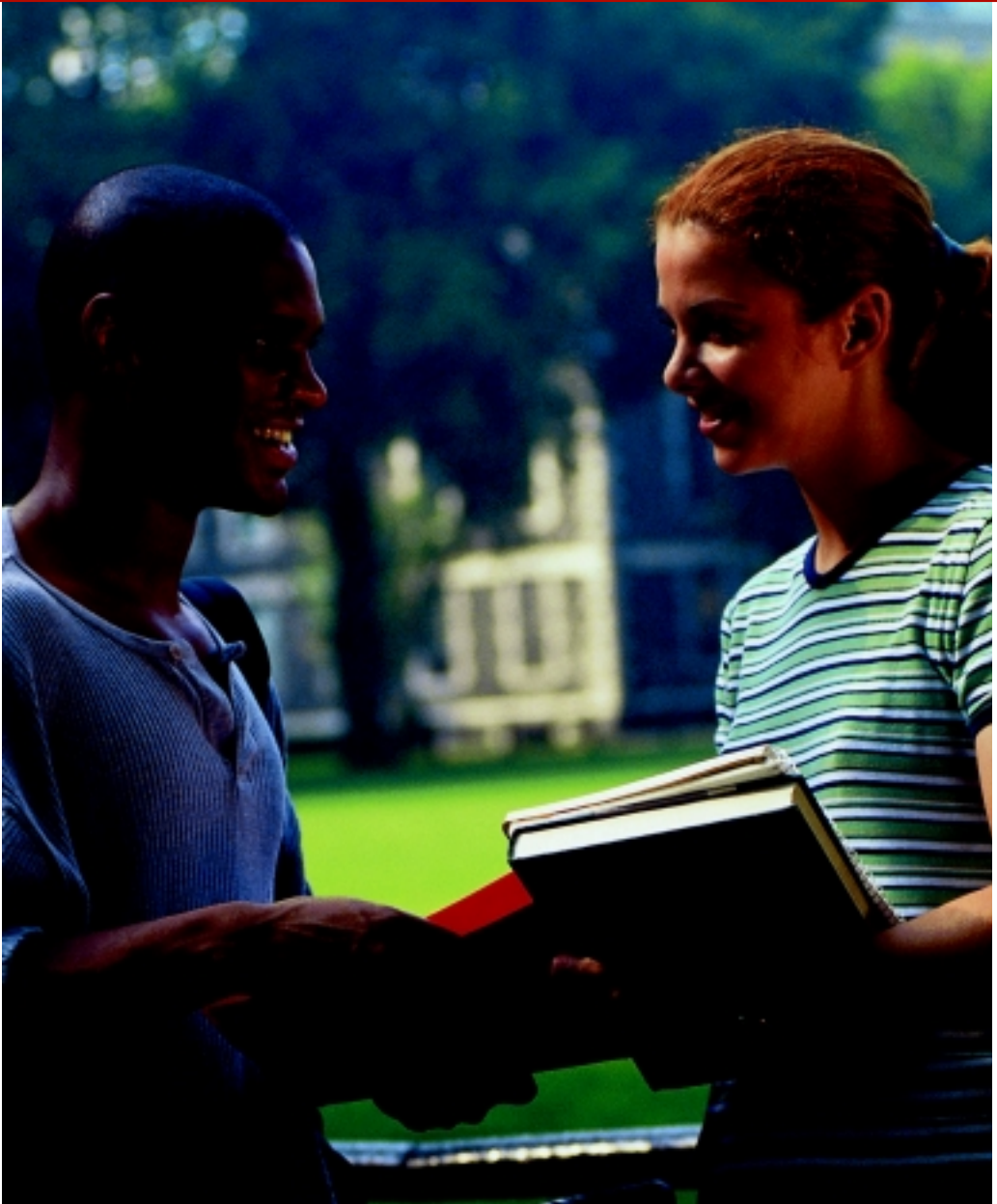
State Student Aid Disbursements—FY2001



* College Access Program (CAP) Grants	\$32,417,700
Kentucky Educational Excellence Scholarships (KEES)	\$21,603,900
* Kentucky Tuition Grants (KTG)	\$12,908,900
* Teacher Scholarships	\$2,127,200
Kentucky National Guard Tuition Awards	\$1,733,100
Osteopathic Medicine Scholarships	\$1,570,000
Work-Study	\$791,700
Early Childhood Development Scholarships	\$159,200
Total	\$73,311,700

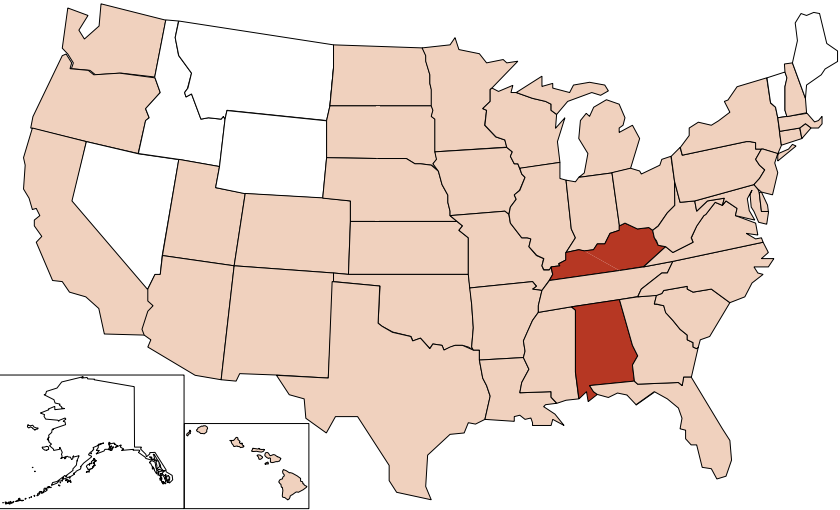
* Need-based awards

[†] Includes \$1,733,100 in Kentucky National Guard Tuition Awards disbursed on behalf of the Kentucky National Guard and \$159,200 in Early Childhood Development Scholarships disbursed on behalf of the Kentucky Early Childhood Development Authority.



KHEAA Reaches Out

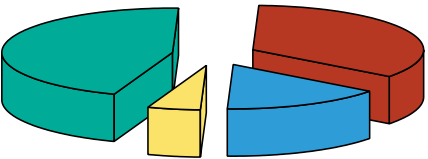
KHEAA's new guarantee volume totaled nearly \$265 million for Kentucky, \$172 million for Alabama, and \$24 million for other states throughout the nation.



Loan Services

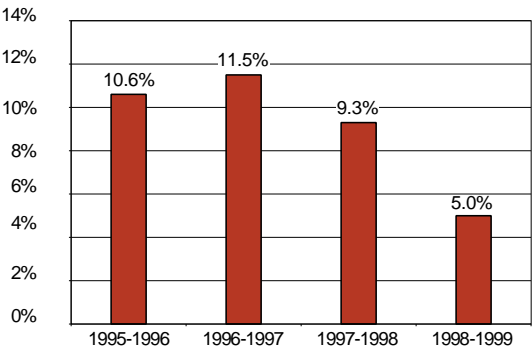
- ◆ KHEAA provided Federal Stafford and PLUS Loan origination and disbursement services for 22 lenders; another 24 lenders were using KHEAA's disbursement services. Cumulative origination volume surpassed \$1 billion.
- ◆ KHEAA's FFY1999 cohort default rate for borrowers with KHEAA-guaranteed loans decreased from the FFY1998 rate of 9.3 percent to 5.0 percent, with KHEAA's national ranking rising from 32nd to 16th.
- ◆ KHEAA recovery rates on defaulted loans rose from 14.49 percent in FFY1999 to 20.17 percent in FFY2000, with KHEAA's national ranking rising from 24th to 15th.
- ◆ Acting on advice of a system-wide advisory committee of financial aid professionals, the Kentucky Community and Technical College System (KCTCS), composed of 28 institutions, returned to the Federal Family Education Loan Program administered by KHEAA.
- ◆ Six more Alabama schools entered into FFELP with KHEAA: Auburn University, Auburn University Montgomery, Southern Union State Community College, Central Alabama Community College, Calhoun Community College, and Faulkner State Community College.

FFELP Loan Guarantees—FY2001



Subsidized Stafford	\$244,225,800
Unsubsidized Stafford	\$189,010,800
Consolidation	\$82,258,300
PLUS	\$27,377,500
Total	\$542,872,400

KHEAA Default Rate



FY2001 Highlights

Web Site

- ◆ Students gained online access to the status of their most recent loan application as well as access and update capability on Federal Consolidation Loan applications.
- ◆ KHEAA began providing schools and lenders with a Stafford Master Promissory Note (MPN) print option and Web-based school certification.
- ◆ An online update was developed that allows KEES district coordinators and postsecondary financial aid officers to update students' KEES accounts.
- ◆ KHEAA added the interactive College Aid Calculator, developed by Think Ahead, Inc., of Dresden, Maine, to give families an estimate of how much financial aid they could receive and how much they might be expected to pay toward college costs.
- ◆ The Loan Repayment Calculator was added to KHEAA's Web site to provide families with an estimated monthly payment for Federal Stafford, PLUS, Perkins, and alternative loans.

Outreach/Publications

- ◆ Distribution of *Success Through Educational Planning (STEP)* packets of financial aid and college planning materials for Kentucky students in grades 8–12 surpassed one million copies since implementation in FY1990.
- ◆ KHEAA's Regional Outreach began covering the entire state. Three staff assigned to the central, eastern/northern, and western/southern Kentucky regions represent KHEAA at career fairs, college nights, financial aid workshops, and related events; make on-site visits to those who can assist KHEAA in disseminating college planning and student financial aid information; and participate in media interviews.
- ◆ Regional Outreach staff began writing a column for several newspapers called "Financial Aid Tip of the Month" and taping a "Financial Aid Tip of the Week" segment for a local call-in television program.
- ◆ KHEAA's mobile Higher Education Learning and Planning (HELP) Center traveled throughout the state and, for the first time, participated in the annual Governor's Derby Breakfast festivities held on the Capitol grounds. Visitors received free packets of student financial aid and higher education planning materials.
- ◆ Hope, Opportunity, and Progress through Education (HOPE) was fully implemented as a year-round, full-time effort to provide student financial aid and college planning information to minorities.
- ◆ KHEAA introduced a new brochure for Alabama students in grades 9–11. *Considering College or Technical School? Way to Go!* was produced in cooperation with the Alabama Association of Student Financial Aid Administrators (AASFAA) and contains financial aid questions and answers and information about the major financial aid programs for Alabama students.
- ◆ KHEAA began distributing packets of articles and public service ads to the print and broadcast media of Kentucky for use throughout the year.
- ◆ The Kentucky Association of Student Financial Aid Administrators (KASFAA), in cooperation with KHEAA and Lumina Education Foundation, sponsored College Goal Sunday to provide free, professional help to families completing the Free Application for Federal Student Aid (FAFSA) at 13 sites throughout Kentucky.
- ◆ KHEAA assisted KASFAA with its nine one-day workshops to provide important information and updates about student financial aid to counselors, superintendents, TRIO program counselors, and others.

Financial Aid Programs

Program	Who Can Apply	Description	2001 Amount	Student Benefits
College Access Program (CAP) Grant	Undergraduate Kentuckian attending a public or private Kentucky college, technical college, or proprietary school	Provides access for Kentucky's financially neediest undergraduate students to attend in-state, two- and four-year public and private colleges, proprietary schools, and publicly operated technical colleges.	College: \$1,200 annually for full-time; \$50 each semester hour for part-time Proprietary/technical: \$810 annually	34,330 students; \$32,417,700
Kentucky Tuition Grant (KTG)	Undergraduate Kentuckian attending a private Kentucky college	Expands Kentucky residents' choices of higher education institutions and assists them with the higher tuition charges at the Commonwealth's independent colleges.	Up to \$1,600 annually	9,450 students; \$12,908,900
Kentucky Educational Excellence Scholarship (KEES)	Kentucky high school student, Kentucky GED recipient, or graduate of a noncertified Kentucky high school who plans to attend a participating higher education institution	Provides opportunities to earn postsecondary scholarships and bonus awards to students attending certified Kentucky high schools (based on GPA and ACT score); provides bonus awards to GED recipients and students who attend noncertified Kentucky high schools (based on ACT score).	Base: \$125 (2.5 GPA) to \$500 (4.0 GPA) each year Bonus: \$36 (ACT score of 15) to \$500 (ACT score of 28 or above)*	31,650 students; \$21,603,900
Teacher Scholarship	Kentucky resident seeking initial teacher certification at a participating institution	Provides financial assistance to highly qualified, financially needy Kentucky students. If recipient does not fulfill teaching obligation, the scholarship converts to a loan and must be repaid with 12% interest.	Maximum \$1,250 each year and \$325 each summer term for freshmen and sophomores; \$5,000 each year and \$1,250 each summer term for other students	680 students; \$2,127,200
Osteopathic Medicine Scholarship	Kentucky resident accepted at Pikeville College School of Osteopathic Medicine	Equalizes tuition at Pikeville College School of Osteopathic Medicine with that of the state medical schools. If recipient does not fulfill service obligation, the scholarship converts to a loan and must be repaid with 12% interest.	Difference between average of in-state tuition charged at state medical schools and that charged at Pikeville College School of Osteopathic Medicine	130 students; \$1,570,000
KHEAA Work-Study	Kentucky resident attending an eligible institution	Provides career-related work experience for participating students through a public/private partnership, the earnings from which assist them with their educational expenses.	Not less than federal minimum wage or prevailing wage (KHEAA pays \$2 toward hourly wage)	1,070 students; \$791,700
Federal Stafford Loan (subsidized and unsubsidized)	Undergraduate, graduate, or professional student enrolled at least half-time	Provides low-interest, long-term loans through private lenders. Students must demonstrate financial need to qualify for the subsidized loan.	Undergraduate: Up to \$2,625 for first-year dependent student; up to \$10,500 each year for upper-level independent student Graduate or professional: Up to \$8,500 each year for dependent student; up to \$18,500 each year for independent student	127,310 students; \$433,236,600
Federal PLUS Loan	Parent or stepparent of a dependent student	Provides loans through private lenders to parents of eligible dependent students who need additional financial assistance in meeting postsecondary educational expenses. Eligibility is not based on financial need.	Cost of attendance minus any other aid	4,700 students; \$27,377,500
Federal Consolidation Loan	Student loan borrower in repayment or grace period on eligible loans	Allows eligible borrowers to consolidate specified educational loans into one loan, generally reducing the borrower's monthly payment amount and extending the repayment period.	Combined total balance of student's outstanding educational loans	5,970 students; \$82,258,300
Kentucky Education Savings Plan Trust	Benefactors of children	Provides an opportunity for families to save money in a planned way for the higher education expenses of their children or other beneficiaries.	Disbursements—dependent on participant contributions, earnings, and school costs	180 students; \$1,160,100

* SAT equivalent scores can also be used for bonus awards.

Information Services

Publications	<p>Getting In provides information about postsecondary school opportunities, including facts on admission, costs, financial aid, and academic programs. Kentucky and Alabama editions are published each year with updated and new information.</p> <p>Affording Higher Education lists nearly 2,500 financial aid programs administered by state and federal governments, degree-granting institutions, technical colleges, proprietary trade schools, and Kentucky companies and organizations.</p> <p>STEP for Seniors, STEP for Juniors, STEP for Sophomores, STEP for Freshmen, and STEP for 8th Graders provide high school graduation requirements, Kentucky postsecondary school information, major sources of financial aid, career ideas, checklists, and much more depending on grade level.</p> <p>Adults Returning to School contains valuable information for adults who want to resume their education. In addition to providing facts on admission, costs, financial aid, and academic programs, the publication contains specific information of interest to nontraditional students, such as GED classes and testing centers, evening and weekend classes, credit for military courses and work experience, and much more.</p> <p>Considering College or Technical School? Way to Go! is produced in cooperation with the Alabama Association of Student Financial Aid Administrators for students in grades 9–11 and provides information about the major sources of financial aid for Alabama students.</p>
Outreach	<p>Success Through Educational Planning (STEP) provides packets of higher education planning materials and student financial aid information to families of students in grades 8–12. STEP reinforces school counselors' efforts by sending information directly into the homes of students in grades 9–12. Brochures are distributed to 8th graders by counselors.</p> <p>Hope, Opportunity, and Progress through Education (HOPE) emphasizes the importance of higher education, provides career counseling information, and explains how financial aid can help African Americans and other minorities achieve their educational and career goals.</p> <p>Higher Education Learning and Planning (HELP) Center is a mobile resource service that takes financial aid information and higher education planning materials to students in communities throughout the Commonwealth.</p> <p>Regional Outreach provides financial aid information and higher education planning materials to students and parents as well as services to guidance counselors, financial aid officers, and admissions officers in the western and southern regions of the Commonwealth. A strong effort is also made to reach others who can help distribute information about student financial aid.</p> <p>Counselor Workshops are conducted in cooperation with the Kentucky Association of Student Financial Aid Administrators and provide information about KHEAA programs and services as well as other important financial aid updates.</p>
Web Site	<p>www.kheaa.com provides valuable information and innovative products to students, parents, school counselors, financial aid officers, and lenders. The site contains information about KHEAA programs and services; online loan application processing; application status and account history for KHEAA grants, loans, and KEES awards; online loan counseling materials; publications for students and parents; and newsletters for school counselors, admissions and financial aid officers, and participating lenders. During FY2001, over 4.8 million hits were recorded on KHEAA's Web site.</p>

Services for Other Entities

Fund Management/ Disbursements	KHEAA provides administrative services for the Kentucky National Guard Tuition Award Program and Early Childhood Development Scholarship . The National Guard and Early Childhood Development Authority, respectively, determine eligibility and select award recipients, and KHEAA is responsible for processing disbursements to participating institutions.
Collections	KHEAA assists the Kentucky Department of Education (KDE) in administering the Minority Educator Recruitment and Retention Scholarship Program and the Occupational Therapy/Physical Therapy Related Services Scholarship Program . KDE selects recipients and disburses program funds. KHEAA's role is to track the status of recipients and cancel notes or collect on the loans.
Loan Origination/ Disbursements	KHEAA offers fee-based loan origination and disbursement services to make loan processing simple for lenders. Lenders may choose disbursement only or full-service loan origination and disbursement. Under agreement, Federal Subsidized and Unsubsidized Stafford Loans and Federal PLUS Loans insured by KHEAA are made and/or disbursed with speed and efficiency on behalf of the lender.
Administrative Services	KHEAA provides fee-based technical and administrative services to the Kentucky Higher Education Student Loan Corporation through memoranda of agreement.

Federal Family Education Loan Program

FY2001	Subsidized Stafford	Unsubsidized Stafford	PLUS	Consolidation	Total
Loans	73,130	54,180	4,700	5,970	137,980
Total	\$244,225,800	\$189,010,800	\$27,377,500	\$82,258,300	\$542,872,400 [‡]
<i>Cumulative Since*</i>	<i>1978</i>	<i>1993</i>	<i>1982</i>	<i>1987</i>	
Loans	1,091,010	268,680 [†]	66,210	24,140	1,450,040
Total	\$2,933,602,900	\$843,556,100 [†]	\$245,434,700	\$356,668,200	\$4,379,261,900 [‡]

[‡] Represents the original amounts guaranteed.
^{*} Date indicates first year of program implementation.
[†] Federal Unsubsidized Stafford Loans include Federal Supplemental Loans for Students, which are no longer available.

Distribution by Type of Educational Institution*—FY2001

	Loans	Amount
Public 4-year	89,290	\$317,233,800
Private 4-year	20,440	74,964,600
Public 2-year	1,400	3,021,200
Private 2-year	360	893,700
Proprietary	18,040	53,738,700
Vocational	1,740	4,518,800
Other	680	5,787,400
Foreign	60	455,900
Total	132,010	\$460,614,100

* Distribution does not include Federal Consolidation Loans.

Top Ten Schools by Loan Volume—FY2001

	Loans	Amount
University of Louisville	11,390	\$60,025,500
University of South Alabama	12,390	40,248,200
Troy State University*	7,340	34,297,300
Western Kentucky University	9,820	28,096,200
Alabama State University	8,910	26,105,800
Eastern Kentucky University	9,430	25,148,600
Sullivan University	6,590	22,903,500
Northern Kentucky University	5,520	20,017,200
Murray State University	5,430	18,197,600
Auburn University Montgomery	4,750	16,351,500

* Includes all branches.

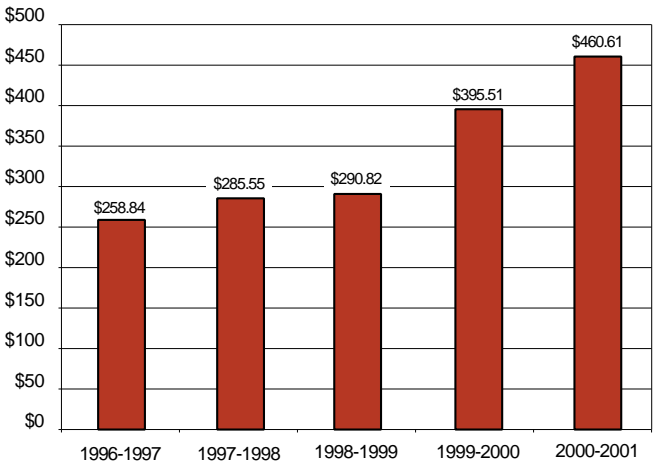
Top Ten Lenders by Loan Volume—FY2001

	Loans	Amount
The Student Loan People/KHESLC	31,460	\$118,442,600
Regions Bank	29,120	109,256,500
Bank One Education Finance Group	11,370	35,656,800
National City Bank	8,750	29,092,500
SouthTrust Bank, NA	8,560	28,644,700
Fifth Third Bank	8,310	27,207,800
Wilmington Trust Co. Trustee for Sallie Mae	7,040	25,755,000
Republic Bank & Trust Company	2,880	25,331,500
PNC Bank	5,450	21,193,100
Citibank NYS Tst./The Student Loan Corp.	780	12,542,500

Guarantees Outstanding

Fiscal Year	Amount
1994	\$ 667,407,100
1995	847,996,200
1996	1,584,863,300
1997	1,625,864,000
1998	1,637,204,800
1999	1,779,865,400
2000	1,976,730,100
2001	1,947,932,100

Federal Family Education Loan Program (FFELP)*
Dollars Disbursed in Millions



* Excludes Consolidation Loans

Loan Services

Origination Services*—FY2001

Lender contracts [‡]	25
Applications received	36,280
Loans guaranteed [†]	80,180
Total guaranteed	\$279,549,800
Disbursements [‡]	215,820
Total disbursements	\$301,773,800

* Origination services include application processing and guarantee and disbursement services under contract.
[‡] Bank One, AmSouth Bank, and Fifth Third Bank each have two contracts.
[†] Subsidized and Unsubsidized Federal Stafford Loans are counted separately.

Origination Lenders

Lender	Loans	Guaranteed	Lender	Loans	Guaranteed
The Student Loan People/KHESLC	29,800	\$94,482,800	Student Loan Funding	1,150	\$3,572,100
Bank One	11,370	\$35,656,800	AmSouth Bank	630	\$1,860,700
National City Bank	8,740	\$28,984,900	Union Planters National Bank	430	\$1,437,700
Fifth Third Bank	8,310	\$27,207,800	The Provident Bank	280	\$1,006,100
Republic Bank	2,880	\$25,331,500	Wells Fargo/Norwest Bank	100	\$480,500
PNC Bank	5,450	\$21,193,100	L & N Federal Credit Union	140	\$440,400
edsouth	3,140	\$9,663,200	EFS Eligible Lender Trust	130	\$407,600
Chase Manhattan Bank	2,360	\$8,852,400	Old National Bank	70	\$219,100
Firstar Bank	2,110	\$7,085,200	FL Ed. Loan Marketing Corp.	50	\$121,100
Bank of Louisville	1,430	\$6,477,400	Royal Federal Credit Union	30	\$97,500
IDAPP/National Education	1,570	\$4,928,400	AZ Ed. Loan Marketing Corp.	10	\$43,500

Default Aversion—FY2001

Preclaims requests received and processed	125,890
Skip-tracing requests processed	10,130
Percentage of skips located	95.0%
Phone numbers updated	6,440
Letters mailed	137,410
Phone attempts	242,480
Defaults averted	100,260
Payments received	42.0%
Deferment	11.0%
Forbearance	33.0%
Consolidated	.6%
Bankruptcy	.4%
Other	13.0%

Claims Paid—FY2001

Type	Number	Amount
Default	5,620	\$31,394,500
Bankruptcy	490	3,321,900
Disability	230	1,942,500
Death	190	1,295,400
School closure	20	135,300
Ineligible borrower	1	4,000

Increase in claims paid compared to FY2000 13%

Default Recovery—FY2001

Total recovered by administrative garnishment, payroll offset, and litigation	\$10,573,600
Number of state income tax refunds withheld	1,790
Total withheld from state income tax refunds	\$299,100
Number of federal income tax refunds withheld	4,660
Total withheld from federal income tax refunds	\$4,738,200
Total recovered by collection contractors	\$7,971,800
Total recovered by KHEAA Default Collection Section	\$3,675,000
Total recovered	\$59,390,800

Kentucky Educational Excellence Scholarship (KEES)

KEES Scholarship Credit Earned—FY2001

Awards Earned by High School Grade Level for School Year 2000–2001				
Base Awards				Bonus Awards
Grade Level	Number	Amount	Average Award	\$36,900 bonus award were earned. These awards are subject to change with subsequent higher test scores before high school graduation.
Seniors	30,440	\$10,427,400	\$343	
Juniors	26,680	8,564,600	321	
Sophomores	27,600	8,743,600	317	
Freshmen	28,920	9,185,600	318	
Total	113,640	\$36,921,200		

Cumulative Scholarship Credit Earned Since 1999

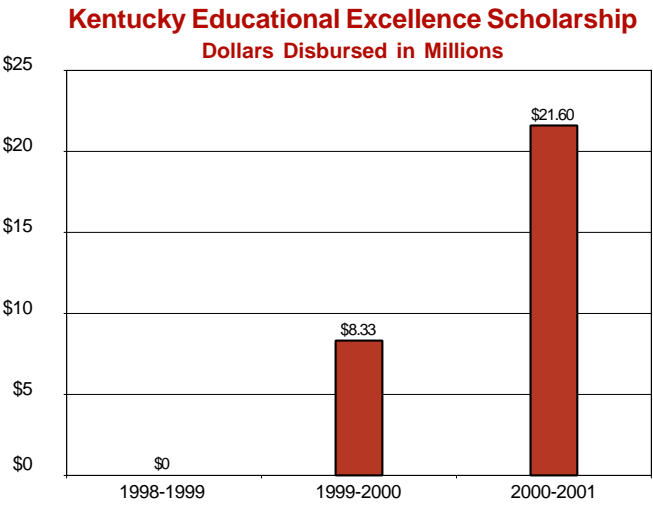
Cumulative Awards Earned by Graduation Year (graduates may not have received awards for all years of eligibility)								
Base Awards				Bonus Awards			Total KEES	Average
Graduates	Number	Amount	Average Award	Number	Amount	Average Award	Base + Bonus	Base + Bonus
1999	29,760	\$ 9,943,200	\$ 334	20,640	\$ 3,286,400	\$159	\$13,229,700	\$ 445
2000	33,370	18,823,100	\$ 564	21,960	5,765,700	\$263	24,588,800	\$ 737
2001	33,640	34,110,700	\$1,014	22,470	5,812,900	\$259	39,923,600	\$1,187
Total	96,770	\$62,877,000		65,070	\$14,865,000		\$77,742,100	

KEES Awards Disbursed—FY2001

Distribution by Type of Institution—FY2001

Type	Recipients*	Amount	Percent
Public 4-year	16,900	\$12,736,400	59.0
Private 4-year	4,490	3,748,600	17.0
Public 2-year	9,280	4,736,500	22.0
Private 2-year	150	92,100	.5
Proprietary	830	290,300	1.5
Total	31,650	\$21,603,900	100.0

* 510 recipients attended more than one institution. The unduplicated number of recipients was 31,140.



Cumulative Since 1999

Awards Disbursed for First Academic Year				Awards Retained After First Academic Year	
Graduates	Number	Amount Disbursed	Average Award	Full Award	
				Number	Amount
1999	18,210	\$ 8,325,800	\$457	10,820	\$ 5,954,400
2000	21,160	\$16,243,500	\$768	12,280	\$11,799,400
Total	39,370	\$24,569,300		23,100	\$17,753,800

Awards Disbursed for Second Academic Year				Awards Retained After Second Academic Year			
Graduates	Number	Amount Disbursed	Average Award	Full Award		Half Award	
				Number	Amount	Number	Amount
1999	9,980	\$5,360,400	\$537	5,960	\$3,631,700	2,640	\$668,000

State Grants (need-based)

College Access Program (CAP) Grant—FY2001

Applicants*	123,040
Recipients	34,330
Total disbursements	\$32,417,700
Refunds from prior years	\$249,000
Net disbursements	\$32,168,700

Cumulative Since 1978

Recipients	450,160 [†]
Net disbursements	\$267,862,900 [†]

* Students who completed the Free Application for Federal Student Aid; listed an eligible Kentucky school; had their data sent to KHEAA; and were, therefore, considered for a grant.
[†] State Student Incentive Grants and CAP Grants.

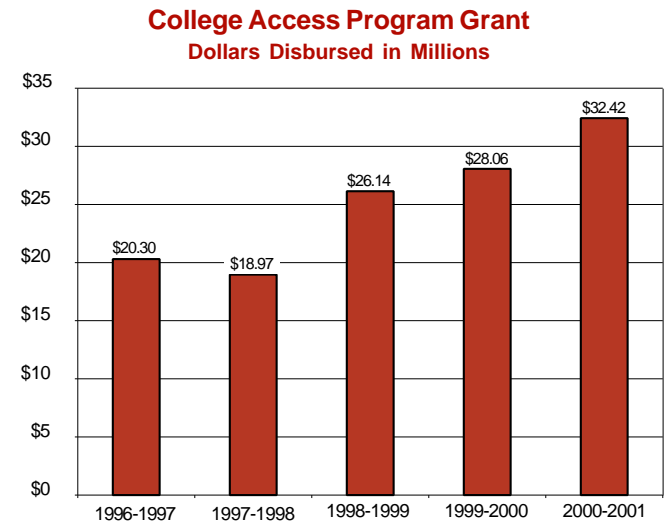
Distribution by Family Income

	Percent
\$ 0	7
\$ 1–9,999	25
\$10–19,999	26
\$20–29,999	22
\$30–39,999	13
\$40,000+	7

CAP Distribution by Type of Institution

	Recipients	Amount	Percent of Disbursements
Public 4-year	16,260	\$16,549,900	51.0
Private 4-year	4,550	4,813,600	15.0
Public 2-year	11,050	9,407,200	29.0
Private 2-year	180	182,600	.5
Proprietary*	2,290	1,464,400	4.5

* Includes Sullivan University.



Kentucky Tuition Grant (KTG)—FY2001

Applicants*	16,320
Recipients	9,450
Total disbursements	\$12,908,900
Refunds from prior years	\$13,000
Net disbursements	\$12,895,900

Cumulative Since 1978

Recipients	138,870
Net disbursements	\$149,312,500

* Students who completed the Free Application for Federal Student Aid; listed an eligible Kentucky school; had their data sent to KHEAA; and were, therefore, considered for a grant.

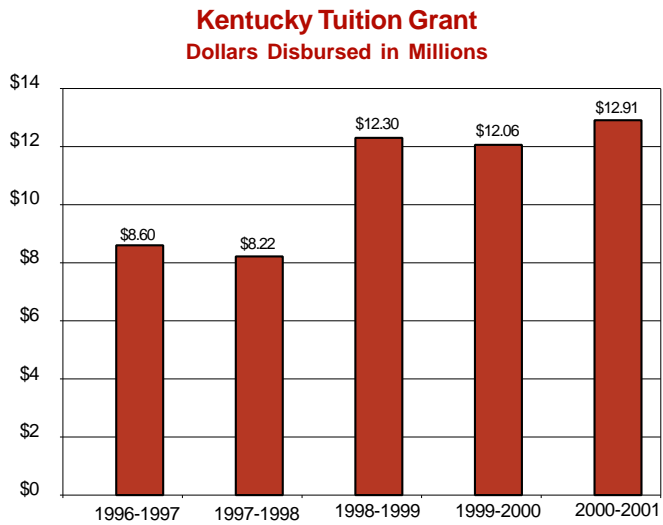
Distribution by Family Income

	Percent
\$ 0	4
\$ 1–9,999	12
\$10–19,999	16
\$20–29,999	18
\$30–39,999	14
\$40,000+	36

KTG Distribution by Type of Institution

	Recipients	Amount	Percent of Disbursements
Private 4-year	7,920	\$11,118,600	86
Private 2-year	240	330,300	3
Proprietary*	1,290	1,460,000	11

* Includes Sullivan University.



Conversion Scholarships/Loans

Teacher Scholarship—FY2001

Applicants	1,170
Recipients	680
Total disbursements	\$2,127,200

Cumulative Since 1986

Recipients (unduplicated)	3,300
Total disbursements	\$23,451,700
Note statuses*	
Number in repayment—teaching service	8,260
Amount in repayment—teaching service	\$17,915,400
Number in repayment—nonteaching	1,500
Amount in repayment—nonteaching	\$2,835,000

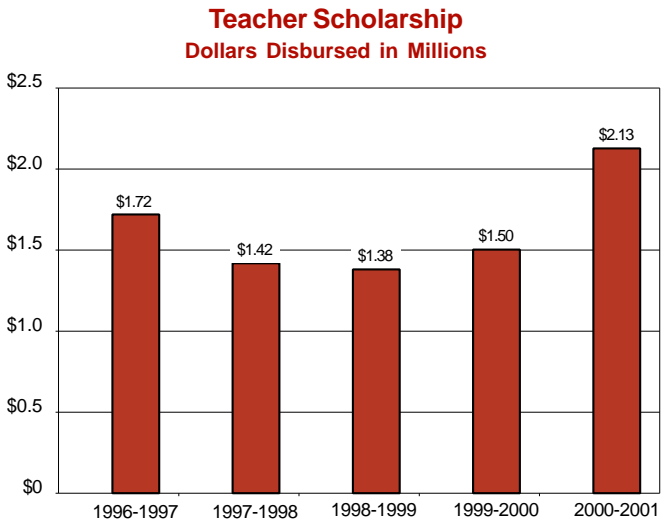
* Does not include statuses for in-school, grace period, deferment, death, or disability.

Distribution by Type of Institution

	Recipients	Amount	Percent of Disbursements
Public 4-year	365	\$1,163,900	54.7
Private 4-year	285	929,200	43.7
Public 2-year	25	27,800	1.3
Private 2-year	5	6,300	.3

Distribution by Grade Level

	Recipients	Amount	Percent of Disbursements
Freshman	100	\$106,600	5.0
Sophomore	100	115,300	5.4
Junior	160	611,400	28.8
Senior	230	906,300	42.6
Graduate	90	387,600	18.2



Osteopathic Medicine Scholarship—FY2001

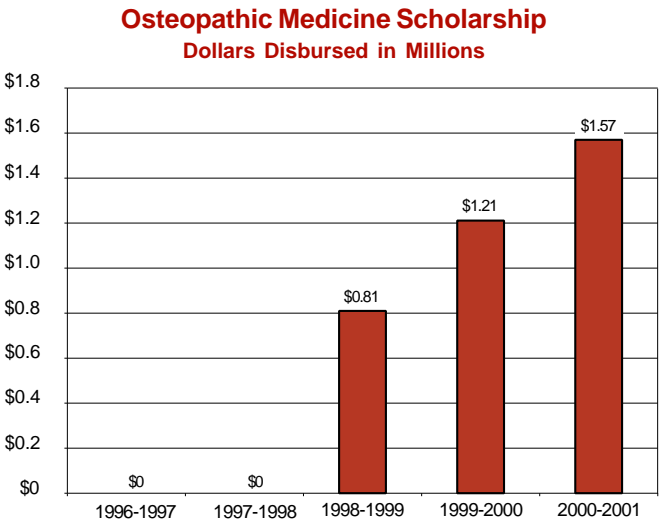
Recipients	130
Total disbursements	\$1,570,000

Cumulative Since 1998

Recipients (unduplicated)	140
Total disbursements	\$3,590,700
Recipients who repaid loans or are in repayment	4
Total of repayments collected	\$61,700

Distribution by Medical School Classification

	Recipients	Amount	Percent of Disbursements
First-year	30	\$401,900	25.5
Second-year	35	414,500	26.5
Third-year	35	414,500	26.5
Fourth-year	30	339,100	21.5



KHEAA Work-Study Program

FY2001

Students employed	1,070
Employer agreements	390
Actively participating higher education institutions	12
Gross wages earned by students	\$2,600,900
Portion of wages paid by KHEAA	\$716,900
Portion of wages paid by employers	\$1,884,000
Administrative cost allowance expenditures	\$74,800
Net program funds expended	\$791,700

Cumulative Since 1990

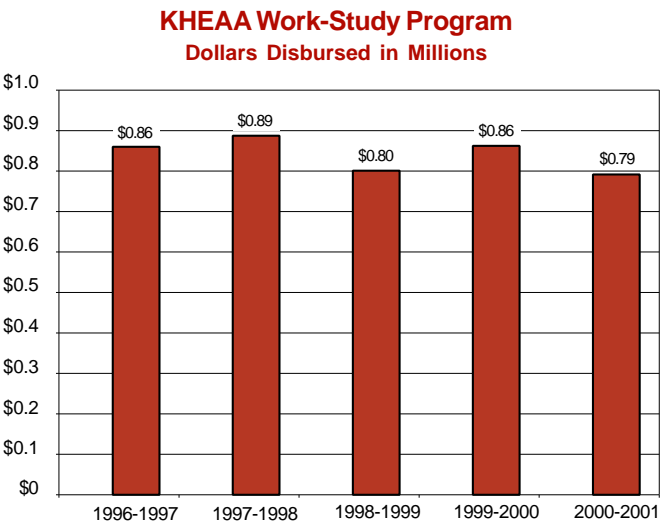
Students employed	12,280
Gross wages earned by students	\$25,419,500
Portion of wages paid by KHEAA	\$7,823,400
Portion of wages paid by employers	\$17,598,200
Administrative cost allowance expenditures	\$853,700
Net program funds expended	\$8,677,100

Distribution by type of institution

	Recipients	Gross Wages	Percent of Gross Wages
Public 4-year	990	\$2,351,200	91
Private 4-year	40	115,100	4
Public 2-year	40	134,600	5

Actively Participating Institutions

	Gross Wages	Percent
Ashland Community College	\$ 1,700	0.1
Campbellsville University	54,700	2.1
Centre College	3,600	0.1
Eastern Kentucky University	460,300	17.7
Lindsey Wilson College	56,800	2.2
Maysville Community College	22,800	0.9
Murray State University	728,100	28.0
Somerset Community College	73,600	2.8
Somerset Technical College	13,000	0.5
Southeast Community College	23,600	0.9
University of Kentucky	210,100	8.0
Western Kentucky University	952,600	36.7



Kentucky Education Savings Plan Trust

FY2001

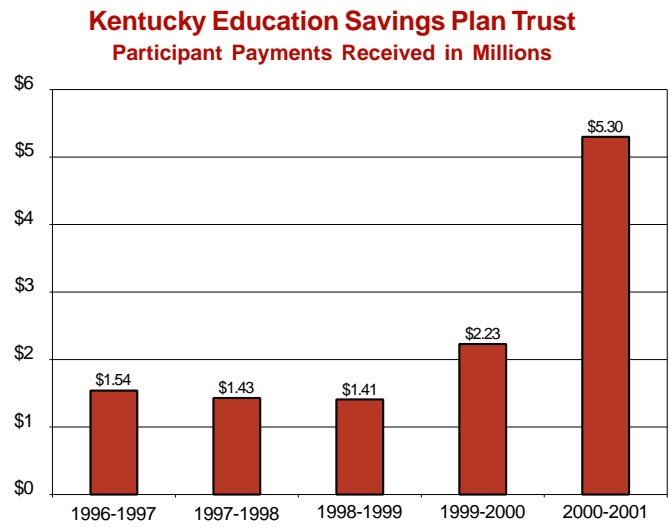
Participation agreements signed	1,400
Participant payments received	\$5,301,000
Beneficiaries receiving disbursements	180
Benefit disbursements	\$1,160,100
Active accounts on June 30, 2001	3,990
Net assets in Program Fund on June 30, 2001	\$14,747,300

Cumulative Since 1994

Beneficiaries receiving disbursements	1,010
Benefit disbursements	\$3,110,300

Yield on Investments by Age Band—FY2001

Managed Allocation Option	Inception Date	Return from Inception	One Year Return
Birth Year			
2000–2001	5/17/00	-17.8%	-22.0%
1998–1999	10/18/99	1.2%	-18.7%
1996–1997	10/18/99	0.7%	-16.5%
1994–1995	10/18/99	2.0%	-14.1%
1992–1993	10/18/99	4.9%	-10.8%
1990–1991	10/18/99	5.9%	-8.7%
1988–1989	10/18/99	9.5%	-4.4%
1986–1987	10/18/99	11.7%	0.4%
1984–1985	10/18/99	7.3%	-0.6%
Prior to 1984	10/18/99	11.3%	4.1%
100% Equity Option	2/15/01	-1.8%	–



Selected Financial Information

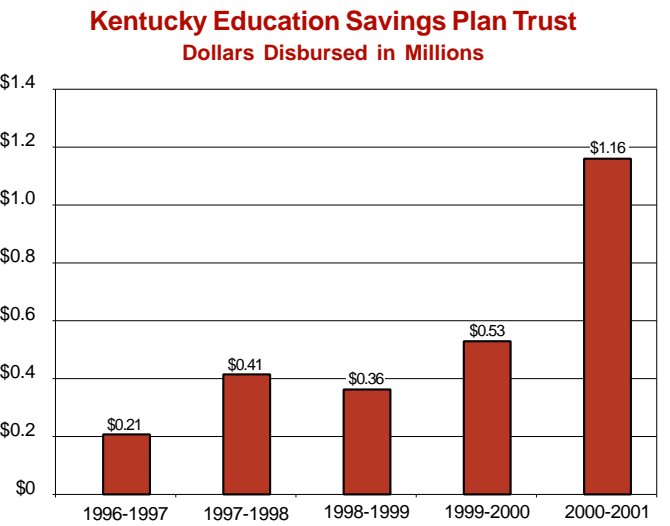
As of June 30, 2001, and for the year then ended.

Investment and other income	\$ 768,735
Gain (Loss)	(1,276,925)
Expenditures	76,142
Net decrease in Trust equity from operations	<u><u>\$ (584,332)</u></u>

Assets	<u><u>\$14,918,598</u></u>
Liabilities	171,269
Trust equity	14,747,329
Total liabilities and Trust equity	<u><u>\$14,918,598</u></u>

Trust equity, beginning of period	\$11,190,823
Net decrease in Trust equity from operations	(584,332)
Net increase in Trust equity from account owner transactions	4,140,838
Trust equity, end of period	<u><u>\$14,747,329</u></u>

To request a copy of KESPT's FY2001 audited financial statements, contact the Division of Financial Affairs at (502) 696-7421.



Administrative Services

Early Childhood Development Scholarship—FY2001

Recipients	391
Total disbursements	\$159,200

Distribution by Type of Institution

	Recipients	Amount	Percent of Disbursements
Public 4-year	84	\$49,000	31.0
Private 4-year	19	25,200	16.0
Public 2-year	278	73,200	46.0
Private 2-year	9	10,400	6.5
Proprietary*	1	1,400	.5

* Includes Sullivan University.

Distribution by Credential Pursued

Associate degree in early childhood education	201
Bachelor's degree in interdisciplinary early childhood education or a related program approved by Early Childhood Development Authority	140
Child Development Associate Credential	50

Kentucky National Guard Tuition Award—FY2001

Recipients	1,050
Total disbursements	\$1,733,100

Distribution by Type of Institution

	Recipients	Amount	Percent of Disbursements
Public 4-year	680	\$1,424,700	82
Public 2-year	370	308,400	18

Cumulative Since 1997

Recipients	5,510
Total disbursements	\$6,941,600

Minority Educator Recruitment and Retention (MERR) Scholarship—FY2001

Recipients	220
Total scholarships/loans	\$994,000

Cumulative Since 1996

Recipients	900
Total disbursements	\$3,394,900
Note statuses*	
Number in repayment—teaching service	600
Amount in repayment—teaching service	\$872,500
Number in repayment—nonteaching	450
Amount in repayment—nonteaching	\$621,400

* Does not include statuses for in-school, grace period, deferment, death, or disability.

Occupational Therapy/Physical Therapy Related Services Scholarship—FY2001

Recipients*	0
Total scholarships/loans*	\$0

Cumulative Since 1998

Recipients	20
Total disbursements	\$156,700
Recipients who cancelled loans with service	10
Total of loans cancelled with service	\$63,700
Note statuses†	
Number in repayment—providing related services	6
Amount in repayment—providing related services	\$13,750
Number in repayment—not providing related services	6
Amount in repayment—not providing related services	\$15,000

* The Kentucky Department of Education did not make any awards in FY2001.

† Does not include statuses for in-school, grace period, deferment, death, or disability.

Publications

Distribution—FY2001

Kentucky <i>Getting In</i>		
	High school seniors	46,310
	High school juniors	51,560
	Students through outreach activities	10,900
	Counseling offices/libraries/lenders	2,460
	Others upon request	2,710
	Total	113,940

Alabama <i>Getting In</i>		
	High school seniors	44,240
	Counseling offices/libraries/lenders	850
	Others upon request	5,360
	Total	50,450

Kentucky <i>Affording Higher Education</i>		
	Counseling offices/state agencies/companies/organizations	2,820
	Others through outreach activities	830
	Total	3,650

Kentucky <i>STEP</i> booklets and brochures		
	Seniors	48,280
	Juniors	53,660
	Sophomores	61,380
	Freshmen	54,800
	8th graders	59,980
	7th graders	7,610
	Counseling offices/libraries/agencies	6,850
	Others upon request	3,510
	Total	296,070

Alabama <i>Considering College or Technical School?</i> brochure		
	High school students	20,970
	Counseling offices/agencies	490
	Total	21,460

Outreach

Contacts—FY2001

	STEP	HOPE	HELP Center	Regional Outreach	General Outreach	Total
Exhibits	—	4,690	520	4,840	12,830	22,880
Presentations	—	1,510	4,410	3,030	770	9,720
STEP packets	263,400	—	—	—	—	263,400
Total	263,400	6,200	4,930	7,870	13,600	296,000

Activities—FY2001

Number of exhibits	—	21	5	58	40	124
Number of presentations	—	39	58	58	22	177
Number of counties visited	—	6	44	83	32	105*
Number of miles traveled	—	4,640	11,940	52,130	6,820	75,530

* Some counties were visited through more than one KHEAA Outreach Program.

On-Site Visits

Type	Number
4-H development offices	27
Adult education centers	82
Area technology centers	30
Businesses/factories	2
Cable companies	41
Career centers	21
Chambers of commerce	5
Children's homes/orphanages	5
Churches	3
Colleges/universities/technical schools	134
Community-based agencies	272
Day-care centers	30
Elementary schools	20
Employment services	28
Family resource/youth services centers	180
General public	163
Governmental agencies	14
Health departments/hospitals	73
High schools/middle schools	283
Home school groups	3
Job corps centers	3
Juvenile detention centers	4
Libraries	108
Military units	18
Newspapers	105
Parks and recreation departments	17
Professional organizations	13
Radio stations	102
Social service programs	2
Summer camps	4
Television stations	12
Vocational rehabilitation offices	17
Others	29
Total	1,850

HELP Center Searches Conducted

Type	Number
Career	740
Scholarship	3,720
Total	4,460

Media Interviews

Type	Number
Radio	43
Television	13
Newspaper	21
Total	77

Financial Aid Distribution by Institutions—FY2001

Kentucky Schools	FFELP Stafford & PLUS Loans		KEES Scholarships		CAP Grants		KTG Grants		KHEAA Teacher Scholarships		KHEAA Work-Study		Total for Institution	
	No.	Dollars	No.	Dollars	No.	Dollars	No.	Dollars	No.	Dollars	No.	Dollars	No.	Dollars
Alice Lloyd College	73	166,000	191	125,400	185	197,400	257	354,000	1	1,300	-	-	707	844,100
Asbury College	1,220	4,907,300	112	90,300	68	70,400	155	222,500	12	40,500	-	-	1,567	5,331,000
Asbury Theological Seminary	348	1,954,800	-	-	-	-	-	-	-	-	-	-	348	1,954,800
Ashland Community College	-	-	372	218,700	469	406,500	-	-	3	3,800	1	1,700	845	630,700
Ashland Technical College	-	-	82	30,700	50	34,900	-	-	-	-	-	-	132	65,600
Bellarmine University	1,676	6,970,800	482	418,600	184	196,800	553	793,100	64	244,700	-	-	2,959	8,624,000
Berea College	686	1,084,000	229	204,300	402	448,300	496	726,600	-	-	-	-	1,813	2,463,200
Bowling Green Technical College	-	-	195	78,900	80	49,200	-	-	-	-	-	-	275	128,100
Brescia University	667	2,035,400	91	74,300	143	142,900	258	350,300	17	63,100	-	-	1,176	2,666,000
Campbellsville University	1,243	3,797,600	350	273,800	469	494,400	725	1,006,400	24	83,700	13	54,700	2,824	5,710,600
Central Kentucky Technical College	267	533,200	184	65,600	90	58,000	-	-	-	-	-	-	541	656,800
Centre College	857	3,219,200	356	377,700	143	165,200	412	630,800	1	4,700	1	3,600	1,770	4,401,200
Cumberland College	1,521	5,139,600	302	236,900	382	412,400	544	793,400	26	72,400	-	-	2,775	6,654,700
Cumberland Valley Technical College	31	65,300	61	21,800	41	27,500	-	-	-	-	-	-	133	114,600
Draughons Jr. College	-	-	17	5,900	128	71,500	-	-	-	-	-	-	145	77,400
Eastern Kentucky University	9,427	25,148,600	2,476	1,645,600	3,393	3,437,000	-	-	53	168,200	252	460,300	15,601	30,859,700
Elizabethtown Community College	-	-	626	369,500	715	596,800	-	-	2	2,500	-	-	1,343	968,800
Elizabethtown Technical College	-	-	119	52,300	96	54,800	-	-	-	-	-	-	215	107,100
Fugazzi College	-	-	8	1,700	46	21,900	-	-	-	-	-	-	54	23,600
Georgetown College	1,126	3,674,600	453	419,200	205	235,000	565	834,300	13	31,400	-	-	2,362	5,194,500
The Hair Design School (Florence)	122	284,900	-	-	-	-	-	-	-	-	-	-	122	284,900
The Hair Design School (Louisville)	192	475,200	-	-	-	-	-	-	-	-	-	-	192	475,200
The Hair Design School (Louisville)	88	230,000	-	-	-	-	-	-	-	-	-	-	88	230,000
The Hair Design School (Louisville)	49	148,200	-	-	-	-	-	-	-	-	-	-	49	148,200
The Hair Design School (Radcliff)	150	325,300	-	-	-	-	-	-	-	-	-	-	150	325,300
Hazard Community College	-	-	446	269,500	953	824,000	-	-	4	2,900	-	-	1,403	1,096,400
Hazard Technical College	39	60,500	62	25,600	39	24,800	-	-	-	-	-	-	140	110,900
Health Institute of Louisville	341	992,400	-	-	-	-	-	-	-	-	-	-	341	992,440
Henderson Community College	-	-	225	133,300	272	227,900	-	-	-	-	-	-	497	361,200
Hopkinsville Community College	-	-	273	144,600	341	291,200	-	-	-	-	-	-	614	435,800
ITT Technical Institute	-	-	66	21,500	144	88,700	-	-	-	-	-	-	210	110,200
Jefferson Community College	2	7,000	1,228	449,600	1,572	1,235,900	-	-	2	1,300	-	-	2,804	1,693,800
Jefferson Technical College	-	-	80	23,300	110	48,100	-	-	-	-	-	-	190	71,400
Kentucky Career Institute	-	-	7	3,100	174	111,300	-	-	-	-	-	-	181	114,400
Kentucky Christian College	410	1,446,800	67	51,300	51	51,000	88	115,900	12	33,800	-	-	628	1,698,800
Kentucky Mountain Bible College	10	27,400	-	-	-	-	-	-	-	-	-	-	10	27,400
Kentucky State University	-	-	160	72,800	422	427,200	-	-	6	8,100	-	-	588	508,100
Kentucky Wesleyan College	653	2,013,500	186	151,300	143	153,100	311	442,000	11	32,400	-	-	1,304	2,792,300
Laurel Technical College	27	51,600	37	10,700	33	19,700	-	-	-	-	-	-	97	82,000
Lexington Community College	-	-	1,385	719,800	1,404	1,301,800	-	-	3	3,800	-	-	2,792	2,025,400
Lexington Theological Seminary	36	245,600	-	-	-	-	-	-	-	-	-	-	36	245,600
Lindsey Wilson College	1,166	3,450,600	357	225,800	638	651,600	913	1,229,500	8	21,100	28	56,800	3,110	5,635,400
Louisville Presby. Theo. Seminary	51	259,600	-	-	-	-	-	-	-	-	-	-	51	259,600
Louisville Technical Institute	126	488,900	124	46,000	111	66,600	-	-	-	-	-	-	361	601,500
Madisonville Community College	-	-	353	212,100	534	482,000	-	-	2	1,600	-	-	889	695,700
Madisonville Technical College	63	114,800	49	23,100	60	38,800	-	-	-	-	-	-	172	176,700
Mayo Technical College	50	107,900	115	39,600	85	53,100	-	-	-	-	-	-	250	200,600
Maysville Community College	-	-	197	102,300	363	319,600	-	-	-	-	9	22,800	569	444,700
McKendree College	-	-	3	1,100	26	27,300	71	75,900	-	-	-	-	100	104,300
Mid-Continent College	606	1,471,500	33	19,900	153	153,700	252	317,200	-	-	-	-	1,044	1,962,300
Midway College	942	2,956,400	73	54,700	180	168,500	307	383,300	13	46,900	-	-	1,515	3,609,800
Morehead State University	-	-	1,501	1,109,000	2,325	2,395,100	-	-	52	129,500	-	-	3,878	3,633,600
Mr. Jim's Beauty College	18	37,800	-	-	-	-	-	-	-	-	-	-	18	37,800
Murray State University	5,428	18,227,800	1,197	924,800	1,341	1,400,000	-	-	30	96,000	389	728,100	8,385	21,376,700
National College of Bus. & Tech.	-	-	82	24,300	394	205,700	-	-	-	-	-	-	476	230,000
Northern Kentucky Technical College	99	178,900	126	46,000	46	26,500	-	-	-	-	-	-	271	251,400
Northern Kentucky University	5,523	20,024,600	1,657	1,092,700	1,299	1,306,400	-	-	36	123,300	-	-	8,515	22,547,000
Owensboro Community College	-	-	531	285,100	430	355,000	-	-	2	1,900	-	-	963	642,000
Owensboro Jr. College of Business	821	2,011,000	25	7,000	75	41,000	-	-	-	-	-	-	921	2,059,000
Owensboro Technical College	-	-	115	43,400	62	38,100	-	-	-	-	-	-	177	81,500
Paducah Community College	-	-	615	408,400	512	460,800	-	-	1	2,600	-	-	1,128	871,800
Paducah Technical College	257	756,900	25	13,700	50	33,600	-	-	-	-	-	-	332	804,200
Pikeville College	1,075	6,122,200	294	228,500	402	422,100	561	773,100	6	13,100	-	-	2,463*	9,129,000*

* Includes \$1,570,000 for 125 Osteopathic Medicine Scholarships.

Financial Aid Distribution by Institutions—FY2001

Kentucky Schools	FFELP Stafford & PLUS Loans		KEES Scholarships		CAP Grants		KTG Grants		KHEAA Teacher Scholarships		KHEAA Work-Study		Total for Institution	
	No.	Dollars	No.	Dollars	No.	Dollars	No.	Dollars	No.	Dollars	No.	Dollars	No.	Dollars
Prestonsburg Community College	-	-	393	208,900	804	740,300	-	-	1	1,300	-	-	1,198	950,500
R.E.T.S. Electronic Institute	1,489	3,836,000	21	4,400	189	120,400	-	-	-	-	-	-	1,699	3,960,800
Rowan Technical College	-	-	94	30,300	24	14,700	-	-	-	-	-	-	118	45,000
Roy's of Louisville Beauty Academy	67	154,400	-	-	-	-	-	-	-	-	-	-	67	154,400
Saint Catharine College	348	837,600	153	92,100	175	182,500	244	332,100	5	6,300	-	-	925	1,450,600
Somerset Community College	-	-	572	341,200	821	751,400	-	-	3	3,800	17	73,600	1,413	1,170,000
Somerset Technical College	-	-	110	46,300	71	45,800	-	-	-	-	9	13,000	190	105,100
Southeast Community College	-	-	437	248,100	826	752,300	-	-	2	2,500	7	23,600	1,272	1,026,500
Southern Ohio College	1,231	3,082,000	15	5,500	114	59,500	-	-	-	-	-	-	1,360	3,147,000
Southwestern College of Business	-	-	3	500	6	2,200	-	-	-	-	-	-	9	2,700
Spalding University	1,844	7,609,700	147	103,000	260	256,800	393	528,400	14	57,500	-	-	2,658	8,555,400
Spencerian College	1,213	4,715,100	166	57,500	105	63,900	-	-	-	-	-	-	1,484	4,836,500
Sullivan University	6,592	22,912,100	270	98,400	752	573,700	1,282	1,446,900	-	-	-	-	8,896	25,031,100
Thomas More College	193	817,300	210	170,600	140	142,300	296	431,300	19	62,500	-	-	858	1,624,000
Transylvania University	770	2,687,000	436	451,200	147	169,900	443	670,200	10	23,800	-	-	1,806	4,002,100
Trend Setters' Academy	57	134,600	-	-	-	-	-	-	-	-	-	-	57	134,600
Union College	945	2,987,900	98	72,200	227	241,800	324	451,700	32	96,500	-	-	1,626	3,850,100
University of Kentucky	608	5,584,300	4,055	3,593,700	2,321	2,451,500	-	-	54	158,300	54	208,000	7,092	11,995,800
University of Louisville	11,381	60,030,600	2,859	2,145,900	2,176	2,185,100	-	-	51	204,900	-	-	16,467	64,566,500
West Kentucky Technical College	48	91,200	216	83,500	150	102,200	-	-	-	-	-	-	414	276,900
Western Kentucky University	9,822	28,098,400	2,908	2,096,000	2,989	2,990,300	-	-	85	275,200	290	954,700	16,094	34,414,600
Totals for Kentucky Schools	74,094	264,791,900	31,563	21,544,400	34,330	32,417,700	9,450	12,908,900	680	2,127,200	1,070	2,600,900	151,312*	337,961,000*
Alabama Schools	No.	Dollars											Total for Institution No.	Dollars
Alabama A & M University	2,635	9,274,200											2,635	9,274,200
Alabama Career College	166	492,200											166	492,200
Alabama State University	8,914	26,105,800											8,914	26,105,800
Auburn University	2,510	12,304,000											2,510	12,304,000
Auburn University Montgomery	4,750	16,351,500											4,750	16,351,500
Birmingham-Southern College	7	44,800											7	44,800
Calhoun Community College	196	498,800			In July 1996, the U.S. Department of Education officially designated KHEAA as the Federal Family Education Loan Program (FFELP) guarantor for Alabama.								196	498,800
Central Alabama Community College	3	10,100											3	10,100
Enterprise State Junior College	238	462,100											238	462,100
Faulkner University	52	157,200			The Alabama Commission on Higher Education (ACHE) is responsible for administration of the major state student aid programs for Alabama students.								52	157,200
Herzing College	262	880,000											262	880,000
Huntingdon College	680	2,643,000											680	2,643,000
Judson College	306	824,000											306	824,000
Northwest-Shoals Community College	736	1,553,200											736	1,553,200
Prince Institute of Professional Studies	209	747,200											209	747,200
Samford University	5	67,700											5	67,700
South College	781	2,391,000											781	2,391,000
Southern Union State Comm. College	132	238,000											132	238,000
Spring Hill College	489	2,096,600											489	2,096,600
Troy State University	6,293	28,331,200											6,293	28,331,200
Troy State University Dothan	1,012	3,997,500											1,012	3,997,500
Troy State University Montgomery	1,057	3,450,000											1,057	3,450,000
United States Sports Academy	15	104,100											15	104,100
University of Alabama at Huntsville	3	23,000											3	23,000
University of Mobile	7	24,000											7	24,000
University of Montevallo	46	176,500											46	176,500
University of North Alabama	4,538	12,580,900											4,538	12,580,900
University of South Alabama	12,387	40,251,500											12,387	40,251,500
University of West Alabama	2,130	5,885,800											2,130	5,885,800
Totals for Alabama Schools	50,559	171,965,900											50,559	171,965,900
Total for Other Schools	7,357	23,856,300	87	\$59,500									7,444	23,915,800
Grand Total for All Schools	132,010	\$460,614,100	31,650	\$21,603,900	34,330	\$32,417,700	9,450	\$12,908,900	680	\$2,127,200	1,070	\$2,600,900	209,315*	\$533,842,700*

* Includes \$1,570,000 for 125 Osteopathic Medicine Scholarships.

Kentucky Higher Education Assistance Authority

Selected Financial Information

As of June 30, 2001, and for the year then ended.

	Federal Fund	Proprietary Funds		State Treasury Funds
	Federal Student Loan Reserve Fund	Agency Operating Fund	General Services	Administration and Student Aid
Revenues	\$ 2,546,711	\$17,208,322	\$ 2,143,433	\$68,556,873
Transfer from KHESLC			3,000,000	
Expenditures and operating transfers	2,640,157	14,860,441	411,154	74,165,027
Revenue over (under) expenditures	(93,446)	2,347,881	4,732,279	(5,608,154)
Fund balances at beginning of year	37,716,697	1,556,664	9,889,926	21,064,432
Fund balances at end of year	<u>\$37,623,251</u>	<u>\$ 3,904,545</u>	<u>\$ 14,622,205</u>	<u>\$15,456,278</u>
Assets	<u>\$42,382,803</u>	<u>\$4,304,545</u>	<u>\$15,221,377</u>	<u>\$30,513,532</u>
Liabilities	\$ 4,759,552	\$400,000	\$ 599,172	\$ 15,057,254
Fund balances	37,623,251	3,904,545	14,622,205	15,456,278
Total liabilities and fund balances	<u>\$42,382,803</u>	<u>\$4,304,545</u>	<u>\$15,221,377</u>	<u>\$30,513,532</u>
Net cash provided by (used in) operating activities	\$ 5,476,951	\$ (5,892,053)	\$ 204,362	\$ (1,911,548)
Net cash used in capital and related financing activities	63,082	(91,590)	(123,705)	(411,194)
Net cash provided by (used in) investing activities	(7,163,997)	349,073	320,486	
Cash and cash equivalents:				
Beginning of year	12,697,664	13,981,580	2,833,303	19,716,357
End of year	<u>\$11,073,700</u>	<u>\$8,347,010</u>	<u>\$ 3,234,446</u>	<u>\$17,393,615</u>
To request a copy of KHEAA's FY2001 audited financial statements, contact the Division of Financial Affairs at (502) 696-7421.				

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Louisville, Kentucky

Mary Jo Young (Chairman elect)
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Frankfort, Kentucky

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Office of the Kentucky State Treasurer
Frankfort, Kentucky

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Chief Operating Officer

Jane L. Stewart
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& Loan Policy Services

Matthew Korn
Director of Financial Affairs
& Chief Financial Officer

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Resources & Technology

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Director of Legal Services
& General Counsel

G. Blake Tanner
Director of Loan Program
Administration

Janice C. Ernst
Director of Student &
Administrative Services

KHEAA does not discriminate on the basis of race, color, national origin, sex, religion, age, or disability in employment or services and provides, upon request, reasonable accommodations to afford individuals with disabilities an equal opportunity to participate in all programs and activities. Printed 12/01 with state funds KRS 57.375.

KHEAA gratefully acknowledges
The Student Loan Peoplesm
(Kentucky Higher Education Student Loan Corporation),
a public, nonprofit entity that provides educational loans for
Kentucky students and parents, for its annual \$3 million
operating transfer which supports student aid programs and
related services administered by KHEAA.



1050 US Highway 127 S
Frankfort, KY 40601-4323

Toll-free: (800) 928-8926
Fax: (502) 696-7496
www.kheaa.com